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March 5, 2014

VIA ELECTRONIC COMMENT FILING SYSTEM (ECFS)

Ms. Marlene H. Dortch
Office of the Secretary
Federal Communications Commission
445 12th Street SW
Suite TW-A325
Washington, DC 20554

Re: Prairie Grove Telephone Company Expression of Interest for Rate-of-Return Area Rural
Broadband Experiment
WC Docket No. 10-90 – Connect America Fund

Dear Ms. Dortch:

Prairie Grove Telephone Company (PGTelco) hereby submits this non-binding expression of interest to conduct a rate-of-return area rural broadband experiment. PGTelco is a rate-of-return regulated incumbent local exchange carrier (ILEC) in northwest Arkansas.

Background

PGTelco was incorporated in 1906 and is still owned by the same family's fourth generation. Our service area consists of 377 square miles in southwest Washington County and northwest Crawford County, Arkansas. Our service area ranges from moderately dense to very rough mountainous terrain with few customers per square mile. The company has continued to extend its network to areas in northwest Arkansas that did not previously have telephone service.

PGTelco currently serves 6,738 voice lines, with 4,022 of those customers also subscribing to wireline broadband. PGTelco is presently able to offer broadband speeds of 3 Mbps downstream / 768 kbps upstream or greater to approximately 99 percent of its customer locations. The download broadband speeds offered are 2 Mbps, 4 Mbps, 6 Mbps, 10 Mbps, 15 Mbps, and 20 Mbps, although some customers with long loop lengths may not have access to all of the speed tiers. All of our residential customers are offered services at the same rates, regardless of

location. We serve three school districts, and each campus has their own fiber network that we helped them construct. In addition, all three districts lease dark fiber from us in order to connect outlying buildings that their network cannot reach.

Proposal

There are approximately 66 customer locations in PGTelco's service area that are unable to obtain broadband at 3 Mbps downstream / 768 kbps upstream from any terrestrial provider. Thus, PGTelco wishes to upgrade the infrastructure serving these 66 locations by shortening copper loops through the deployment of fiber-to-the-node. These network investments are costly, however, and absent universal service support, PGTelco will not be able to bring high-speed broadband to these rural subscribers in the near term. We are therefore seeking Connect America Fund (CAF) support to conduct rural broadband experiments in the four exchanges where these customers reside.

Lincoln exchange – Washington County Census Tracts 011002, 010504

There are approximately 31 customers in the Lincoln exchange without access to broadband at speeds of at least 3 Mbps downstream / 768 kbps upstream. PGTelco expects to request one-time support of approximately \$941,000 in the formal proposal stage for the network investments necessary to upgrade these customers' service. PGTelco plans to offer these customers as many broadband speeds tiers as their loop lengths will permit, and at the same price points it offers these tiers to its existing broadband customers. PGTelco is currently offering wireline voice service (local and long distance) to these customers and would continue to do so.

Morrow exchange – Washington County, Crawford County Census Tracts 011002

There are approximately 23 customers in the Morrow exchange without access to broadband at speeds of at least 3 Mbps downstream / 768 kbps upstream. Thirteen of these customers do not have access to any broadband service whatsoever. PGTelco expects to request one-time support of approximately \$431,000 in the formal proposal stage for the network investments necessary to upgrade these customers' service. PGTelco plans to offer these customers as many broadband speed tiers as their loop lengths will permit, and at the same price points it offers these tiers to its existing broadband customers. PGTelco is currently offering wireline voice service (local and long distance) to these customers and would continue to do so.

Prairie Grove exchange – Washington County Census Tract 010504

There are approximately 11 customers in the Prairie Grove exchange without access to broadband at speeds of at least 3 Mbps downstream / 768 kbps upstream. PGTelco expects to request one-time support of approximately \$193,000 in the formal proposal stage for the network investments necessary to upgrade these customers' service. PGTelco plans to offer these customers as many broadband speed tiers as their loop lengths will permit, and at the same price points it offers these tiers to its existing broadband customers. PGTelco is currently offering wireline voice service (local and long distance) to these customers and would continue to do so.

Strickler exchange – Washington County
Census Tract 011003

There is approximately 1 customer in the Strickler exchange without access to broadband at speeds of at least 3 Mbps downstream / 768 kbps upstream. PGTelco expects to request one-time support of approximately \$115,000 in the formal proposal stage for the network investments necessary to upgrade this customer's service. PGTelco plans to offer this customer as many broadband speed tiers as their loop length will permit, and at the same price points it offers these tiers to its existing broadband customers. PGTelco is currently offering wireline voice service (local and long distance) to this customer and would continue to do so.

PGTelco appreciates the opportunity to submit this non-binding expression of interest. Please contact me if you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Rick Reed", is written over the printed name.

Rick Reed
General Manager
Prairie Grove Telephone Company